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SUBJECT: Rio de Janeiro Pol/Econ Round-Up, July/August 2008

Summary

11. The following are highlights of Political/Economic activity in Rio de Janeiro's reporting district during the months of July-August 12008.

- GOB Considers Privatizing Rio International Airport
- Armed Forces Deployed to Rio for Municipal Elections
- Former Rio Governors Indicted for Corruption
- Rio de Janeiro Police Most Lethal in World
- Militia Violence on the Rise
- New Synthetic Drug Seized in Rio de Janeiro

GOB Considers Privatizing Rio International Airport

12. In a move aimed at making Rio's bid to host the 2016 Olympics more attractive, Governor Cabral's office released a statement saying that President Lula approved a proposal for the privatization of Rio's international airport, which should be finalized in the next few weeks. According to Brazilian Government Airport Administration (INFAERO) President Sergio Gaudenzi, the Brazilian National Development Bank (BNDES) is already preparing a study on the most viable way to do this. Some envision a model similar to that adopted by Petrobras, which has shares in the market, but is still controlled by the GOB. The estimated GOB 2009 budget for Rio's airport is approximately USD 29.6 million.

Armed Forces Deployed to Rio for Municipal Elections

13. On September 4, Defense Minister Nelson Jobim announced the deployment of the Brazilian military to Rio de Janeiro state in advance of municipal elections to supplement local security forces. Jobim announced that the Army and Navy would, in coordination with state and federal police, be stationed in 24 at-risk communities which have been identified by the Regional Electoral Court (TRE). The TRE is worried that local criminal organizations are intimidating voters to support certain candidates. TRE President Roberto Wider has stated that military and law enforcement officers will be armed and will defend themselves if needed to ensure the democratic process.

Former Rio Governors Indicted for Corruption

14. After two years of investigation, the Rio de Janeiro State Public Attorney indicted former Governors of Rio de Janeiro Rosinha Garotinho, and her husband, Anthony Garotinho, along with 21 other associates on charges of corruption and embezzlement. The Garotinhos are accused of misappropriating an estimated USD 40 million in government funds from the State Health Secretariat during their mandates through NGOs and evangelical churches. The money was transferred into personal bank accounts. The matter has been moved to the Federal Supreme Court (STF), which has not yet set a date for trial.

Rio de Janeiro Police Most Lethal in World

15. A recent report by the Institute for Public Security of the state of Rio de Janeiro (ISP) shows that Rio de Janeiro police on average kill four people per day. This rate is a 12 percent increase over 2007, making Rio's police force the most lethal in the world. In response, Rio de Janeiro State Public Secretary Jos Beltrame announced that he is replacing the current automatic weapons used by the police with less lethal weapons.

Militia Violence on the Rise

16. A militia group called the "Justice League" is charged with murdering seven residents in the Barbante favela, a poor community on Rio's west side, on August 19. According to the Rio State Secretariat for Public Security, 17 members of the militia posing as drug traffickers entered the community and shot people at random. The attack, believed to be orchestrated by former Military Police officer Luciano Guinancio, was aimed at generating community support for the militia to protect against violent drug traffickers. Besides Guinancio, three other current Military Police officers are suspected of involvement. Guinancio is the son of current Rio de Janeiro City Council member Jeronimo Guimaraes (PMDB Party), who has been in jail since December 2007 for organizing illegal militia activity in the same area. (Note: Militia groups often start as off-duty and former law enforcement officers taking community policing into their own hands. However, many militias become as bad as the drug traffickers in terms of intimidating residents and conducting illegal activity.)

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New Synthetic Drug Seized in Rio de Janeiro

17. Law enforcement authorities announced that locally-produced liquid ecstasy (GHB) has recently been seized in Rio de Janeiro's slums, marking the first known incidence of the drug being manufactured locally in Rio. The criminal gang "Red Command" is believed to be behind production and distribution of GHB in Rio de Janeiro, with average street prices reported at around USD 20 per 20 mL individual dose. Synthetic drugs are highly popular among middle and lower class residents in Rio de Janeiro, but to date such drugs have largely been brought in illegally from Europe.

MARTINEZ